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Good afternoon Chairman Schuring, Vice Chair Manning, Ranking Member Thomas, and members of the Senate Select Committee on Gaming. My name is Mike Rodgers and I am the Director of Policy and Legislation for Attorney General Dave Yost.

Today I also have with me Dan Fausey, the Chief of our Charitable Law section. Dan's section is responsible for overseeing charitable gaming in Ohio. I appreciate the opportunity to testify today both to provide background on charitable gaming in Ohio, and to express our support for the modernization of charitable gaming through electronic bingo.

The Charitable Law section within the Attorney General's Office (AGO) is the sole overseer and regulator for charitable gaming in Ohio. Last year, charities in Ohio brought in a net profit of \$27 million through Type I, II, and III bingo. Charities and organizations wishing to conduct bingo must apply for and receive a license from the Ohio Attorney General's office, provide annual reports, and submit to periodic inspections from the Charitable Law Section to ensure that all of the legal requirements in Ohio law are being honored.

By way of background, Type I bingo is the traditional game with a caller announcing numbers and players tracking numbers present on their paper sheets with winners determined at random by the luck of the draw. Type II bingo covers the sale of instant bingo in conjunction with the traditional bingo game. Type III bingo is instant bingo being conducted outside of a traditional game. Type III bingo is a game in which there is a "deal" of instant tickets—often referred to as pull-tabs—that are distributed in stacks where winners are predetermined, and the odds of winning are clearly disclosed on each card.

Previous legislative efforts sought to modernize only Type III bingo to allow that game to be played in an electronic format. We continue to advocate for this position. Our office was in full support of this legislation last General Assembly, and had a hands-on role in crafting edits to the final version that provided additional regulatory safeguards and player protections. Those edits were the result of robust debate in both the House and Senate over two years.

Another late amendment added to the bill limited the scope of who could utilize electronic bingo, to veteran or fraternal halls only. One important policy consideration for this committee will be whether to adopt the initial legislation's broader charitable applicability, or to limit who can utilize a modern version of Type III bingo. While we wholeheartedly support efforts to modernize Type III bingo—and will continue to advocate for the regulatory and enforcement tools we need to ensure a safe and secure game—we recognize that many of the other policy considerations incumbent in this legislation are matters best decided by the legislature. I hope through my appearance today, that our office may continue to serve as a resource both to this committee, and to any legislators interested in this topic.

I'd like to take a few remaining minutes of my testimony to address some misconceptions about charitable gaming—namely the scope of our regulation of this game, and the ease with which someone could participate in electronic bingo when made lawful.

Current law provides a number of stringent restrictions on who may conduct bingo. Entities that are eligible to conduct bingo include 501(c)(3)'s, volunteer fire and rescue organizations, and veteran, fraternal, and sporting organizations. However, were electronic bingo to become legal tomorrow, one could not simply create a charitable organization and avail themselves of the new law. This is because there are numerous restrictions in place to ensure that only bonafide charitable organizations are participating in charitable gaming. These include:

- (1) A charity has to have been in *continuous* existence for at least two years prior to applying for a bingo license. **ORC 2915.01(H)** and **ORC 2915.08(A)(2)(b)**
- (2) By statute, no one is allowed to be paid for conducting bingo. All games are conducted on a volunteer basis. **ORC 2915.09(C)**, **2915.09(D)(1)**, **2915.09(D)(2)**, **2915.091(A)(9)**, **2915.091(A)(10)**, **2915.12(A)(1)(c)**, **2915.12(A)(2)(e)**
- (3) If an entity seeks a bingo license as a veteran or fraternal organization, they must be a post belonging to a statewide organization.
  - a. A veteran's organization must be a post of a national organization which has been existence for at least 5 years. **ORC 2915.01(J)**
  - b. A fraternal organization has to be a chapter of a national or state organization, and in order to qualify for a charitable purpose, the organization must have been in continuous existence in Ohio for at least 15 years. **ORC 2915.01(L)** and **ORC 2915.01 (V)(3)**
- (4) Bingo organizations must file annual reports with the AGO which shows their income and expenses, as well as how much goes to charitable programming. **ORC 2915.08** and **OAC 109:1-3-01**
- (5) Applicants that are charitable trusts or charitable organizations must be registered separately with the charitable law section and file annual reports pursuant to the Charitable Trust Act and the Charitable Organizations Act. **OAC 2915.08(A)(2)(h)** and **(i)**
- (6) The AGO reviews "outliers" and "questionable" organizations to make sure that they are actually conducting charitable programming. Under existing Ohio law, the AG is also permitted to conduct an investigation after a preliminary review of an application in order to better determine eligibility. **ORC 2915.02(J)** and **ORC 2915.10(H)**

In closing, I believe this committee could be well served in using the final charitable gaming bill from the last General Assembly as your starting point for legislation this GA. That bill contained additional regulatory controls and player safeguards sought by our office, and endured rigorous legislative pressure testing in both the House and Senate.

Thank you again for giving me the opportunity to testify, and I would be happy to answer any questions at this time.